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Biden calls on three banks to halt Delaware foreclosures

Wilmington – Attorney General Beau Biden has called on three banks to stop foreclosure actions in Delaware amid questions about their foreclosure procedures. The banks have announced they are delaying foreclosure proceedings in 23 other states while they review whether their staff signed foreclosure documentation in thousands of cases without verifying the accuracy of those documents.

In a letter sent today to Bank of America, JP Morgan Chase, and Ally Financial (formerly GMAC), Biden called for a halt to all of their pending Delaware foreclosures until the banks complete a thorough review of their foreclosure policies and procedures. He also seeks detailed information about the lenders' review and verification process and procedures and foreclosure-related complaints they have received from Delaware homeowners.

"When Delawareans sign a mortgage agreement with a bank, they expect the bank will follow Delaware's laws, rules and regulations," Biden said. "Everybody has to play by the same rules. Just as homeowners have an obligation to pay their mortgages on time, banks also have to follow Delaware's mortgage laws. We are acting to make sure that mortgage banks are following the law and that Delaware homeowners receive all of the legal protections they deserve."

In addition to calling on the banks to suspend Delaware foreclosures until their own review of their foreclosure practices is completed, Biden asks that they provide his office with the following:

- A detailed description of their existing foreclosure review and verification process and procedures, including new procedures they develop going forward
- Copies of all complaints received from Delaware citizens regarding the foreclosure process, including complaints relating to improper notarization of documents, inaccurate information in court documents, and/or improper signatures on documents
- A detailed explanation of the reasons they are suspending foreclosures in other states

"Foreclosure can leave long-lasting financial and emotional scars on children and families," Biden said. "Today we are taking another step to help homeowners by asking banks to suspend foreclosures until we can verify they have followed Delaware laws governing mortgage paperwork. It is important that no Delaware family loses their home because a bank makes a paperwork error."

The Attorney General's Mortgage Fraud Task Force was established last year to help Delaware homeowners and reduce foreclosures through education about the foreclosure process, connecting homeowners with government programs, and taking action against foreclosure scams. Since April 2009, the Task Force has sponsored 13 housing workshops with mortgage lenders. More than 750 consumers have attended, and they have helped over 300 Delaware families avoid foreclosure. Learn more about the Task Force by visiting www.attorneygeneral.delaware.gov/mortgageforeclosure